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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92048732
Party	Defendant Ronald Beckenfeld
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Date	05/05/2014
Attachments	Reply brief and exhibit.pdf(278612 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD**

ALTVATER GESSLER – J.A.	:	Cancellation 92048732
BACZEWSKI	:	
INTERNATIONAL (USA) INC. and	:	
ALTVATER GESSLER – J.A.	:	
BACZEWSKI GMBH,	:	
	:	
Petitioners,	:	Registration No.: 2,731,948
v.	:	
	:	
RONALD BECKENFELD,	:	
	:	
Respondent	:	Attorney Docket No. B1001-9001

**RESPONDENT’S REPLY TO PETITIONERS’
OPPOSITION TO THE MOTION TO RE-OPEN DISCOVERY**

Respondent Ronald Beckenfeld (“Respondent”), by his undersigned attorneys, submits the following brief in reply to the opposition to Respondent’s Motion to Re-open Discovery filed by Petitioners Altvater Gessler – J.A. Baczewski International (USA) Inc. and Altvater Gessler – J.A. Baczewski GMBH (“Petitioners”).

ADDITIONAL FACTUAL BACKGROUND

As previously noted, Petitioners sought, and the Board permitted, the filing of an Amended Petition for Cancellation, and on January 9, 2014, Petitioners’ Second Amended Petition for Cancellation (the “Amended Petition”) was filed.

The original Petition for Cancellation, filed on January 14, 2008 (the “Original Petition”), contained a single cause of action – namely, that Petitioners were the owners of the MONOPOLOWA trademark and that Mutual Wholesale Liquor (“Mutual”), Respondent’s predecessor in interest, was “a mere importer of the vodka produced by Petitioners and bottled under the label MONOPOLOWA” and thus Respondent “is not, and never has been, the owner of the mark MONOPOLOW, or any of the goodwill associated with the mark.”

During the ensuing five years, from the filing of the Original Petition, through the close of discovery on February 3, 2013, Petitioners pursued its sole enumerated cause of action, and Respondent focused its discovery efforts on disproving the claim that Mutual was a “mere importer.” Declaration of Michael L. Lovitz (“Lovitz Dec.”), attached hereto as Exhibit A, at ¶4. It was not until May 31, 2013, more than five years after this proceeding was instituted and nearly four months after the close of discovery, that Petitioners first sought to amend their Petition and introduce four (4) entirely new and previously undisclosed causes of action.¹

These new causes of action in the Amended Petition were supported by fifty-four (54) new paragraphs of allegations, introducing previously un-raised claims regarding, *inter alia*:

- i. the “tremendous financial difficulty” experienced by Eduard Gessler;
- ii. the “legacy of debt assumed” by Elek Gessler;
- iii. concerns that the personal debt of Elek Gessler could impact on the brand MONOPOLOWA;
- iv. an assignment of trademark rights in the MONOPOLOWA mark between entities prior to the assignment to Mutual Wholesale Liquor (“Mutual”);
- v. transference of Elek Gessler’s ownership interest in at least one of the Petitioners to an unnamed “third party”; and
- vi. at the time he assigned rights in the MONOPOLOWA trademark to Mutual, that Elek Gessler possessed no right, title or interest in the mark to assign.

¹ Counsel for Respondent notes that page 5 of Respondent’s Opposition to the Motion for Leave to Amend the Petition for Cancellation contained a typographical error, which error has led the Board to incorrectly infer the claims of fraud and naked licensing were “included in the original filing,” when in fact such causes of action were not present. Specifically, the word “not” was inadvertently omitted from the phrase “issues not remotely included in the original filing”. Lovitz Dec. at ¶6. A review of the original Petition for Cancellation reveals no references to fraud in the renewal of the registration or abandonment through naked licensing. Lovitz Dec. at ¶5. The undersigned apologizes for the typographical error and any resulting confusion.

None of the aforementioned claims involve information in Respondent's control. Lovitz Dec. at ¶7. At no time prior to the close of discovery did Petitioners seek to introduce these new allegations, theories or causes of action through amendment of its Original Petition. Further, for each of the individuals affiliated with Petitioners who were identified in Petitioners' Initial Disclosures as likely to have discoverable information, i.e., Rasiel Gessler, Leonie Gessler and Tom Gessler, the subject matter of discoverable information for each was identified as "Petitioners' ownership of the mark in dispute." Lovitz Dec. at ¶8.

ARGUMENT

Respondent's request for additional discovery is warranted under the instant circumstances. Respondent brought the instant Motion in order to allow the opportunity to conduct necessary discovery directed to the new claims, theories and causes of action introduced in the Amended Petition. Despite Petitioners assertion, not only were these allegations not previously raised or identified in the Petitioners' pleadings, but it was impossible for Respondent to have been able to anticipate these new allegations or legal theories prior to the filing of the Amended Petition. Respondent thus had no way to have properly explored these new theories and causes of action prior to the close of the discovery period.

1. Petitioners' Shifting Legal Theories

Petitioners have made significant shifts in their legal theories, and now seek to deny Respondent the opportunity to explore their new theories by inaccurately claiming such theories were already asserted in the Original Petition.

As noted above, the initial theory under which Petitioners sought to cancel the mark of the instant proceeding was that Respondent's predecessor in interest was a "mere distributor" and thus not entitled to ownership of the MONOPOLOWA mark. Petitioners relied on the legal theory that

it is the manufacturer, not the distributor, who owns the rights in a trademark applied to the goods being distributed, absent an agreement or other facts to the contrary.

In amending the Original Petition, Petitioners have now shifted the theory from Petitioners having ownership as the manufacturer to instead claiming that despite documentary and testimonial evidence to the contrary, there could not have been an assignment of rights from Petitioners to Mutual because the person making such assignment lacked the rights and/or legal authority to make such an assignment.

Clearly, the evidence necessary to support and defend against the two claims is significantly different, and not generally related. Respondent, in preparing a defense against the claim that Mutual was a “mere distributor” focused on the issue of which entity was involved in those activities that the consuming public would associate with the brand owner, exploring issues of advertising and promotion, quality control, the party looked to for addressing product complaints, etc. Respondent was given no indication, through the Petition or Petitioners’ Initial Disclosures, that Petitioners would seek to negate any claim of ownership based Elek Gessler’s lack of legal authority in making the assignment to Mutual. To not allow Respondent to now explore this newly-raised theory would be prejudicial to Respondent. Conversely, allowing Respondent to undertake the requested discovery would not prejudice Petitioners, as the testimony period has not yet opened.

2. Any Delay by Respondent was Excusable

Under the relevant case law, the Board has the discretion to permit a party to reopen an expired time period where the failure to act is due to excusable neglect. As discussed in Respondent’s initial Motion, the Court in *Pioneer Invest. Svcs. Co. v. Brunswick Assoc. Ltd. P’shp.*, 507 U.S. 380 (1993), identified four factors for determining what constitutes “excusable” neglect.

Respondent again submits that, when the four enumerated *Pioneer* factors are examined in the instant case, any delay would be an excusable one. First, Petitioners is in no danger of being

prejudiced since neither party's testimony period has begun. Second, Respondent acted promptly in requesting the re-opening of discovery, first identifying the request in its Opposition to Petitioners' Motion to Amend, and then filing the instant motion approximately a month after the proceedings were resumed. Third, the reason for the delay was entirely outside of Respondent's control, brought about as a result of Petitioners' actions in seeking to amend the Original Petition. As to the fourth factor, Respondent has filed the instant motion in an effort to avoid being prejudiced by Petitioners' actions, and it is the new and previously undisclosed allegations contained in the Amended Petition that has brought about the need for additional discovery in this proceeding. Respondent therefore submits that the *Pioneer* factors favor Respondent in its request to re-open discovery.

3. Ownership Information Not in Respondent's Control

Petitioners argue that its newly-added causes of action involve information already in Respondent's control. Respondent disagrees with this blanket statement.

To the extent that the new causes of action involve the actions of Registrant, such as the claims of abandonment through naked licensing and fraud in the renewal of the registration, Registrant does not require, nor does it request, a re-opening of the discovery period. However, as previously discussed, the Amended Petitioner includes causes of action which rely on information known to, and documents possessed by, Petitioners and not previously identified, discussed or produced by them. By way of example, Petitioners claim that Elek Gessler's ownership interest in Altwater Gessler – J.A. Baczewski International (USA) Inc. was assigned by him "to a third party." However, Petitioners have provided no documents to support such an assignment occurred, nor any documents sufficient to identify the "third party" to whom that interest was assigned. Such "third party" would have information relevant to the question of Elek Gessler's rights and/or ownership in or to the MONOPOLOWA mark at the time of his assignment of such mark to Mutual. Registrant

should be granted the opportunity to review such highly relevant documents and question such witness about the purported transaction and its implications.


D. CONCLUSION

For the foregoing reasons, Respondent respectfully requests that the Board grant the instant motion to re-open discovery for Respondent for not less than ninety days after the Board rules on this motion in order to permit Respondent to fully and fairly investigate the allegations, claims and legal theories proffered by Petitioners in the Second Amended Petition.

Respectfully submitted,

Dated: May 5, 2014

By:


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Attorneys for Respondent

EXHIBIT A

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

ALTVATER GESSLER – J.A. BACZEWSKI	:	Cancellation 92048732
INTERNATIONAL (USA) INC. and ALTVATER	:	
GESSLER – J.A. BACZEWSKI GMBH,	:	
	:	
Petitioners,	:	Registration No.: 2,731,948
	:	
v.	:	
	:	
RONALD BECKENFELD,	:	
	:	
Respondent	:	Attorney Docket No. B1001-9001

**DECLARATION OF MICHAEL L. LOVITZ IN SUPPORT
OF RESPONDENT'S REPLY TO PETITIONERS'
OPPOSITION TO THE MOTION TO RE-OPEN DISCOVERY**

I, Michael L. Lovitz, hereby state as follows:

1. This declaration is made in support of Respondent's Reply to Petitioners' Opposition to Petitioner's Motion to Re-Open Discovery in the above-captioned matter.
2. I am a partner in the law firm of Bowen Hayes & Kreisberg, legal counsel to Respondent. I have represented Respondent in this matter since February 2008.
3. Petitioners' Second Amended Petition for Cancellation (the "Amended Petition") substantially expanded upon the original Petition for Cancellation (the "Original Petition"), raising the number of paragraphs of allegations from twenty-two (22) up to seventy-six (76), and increasing the number of causes of action from one (1) to five (5).
4. The sole cause of action enumerated in the Original Petition was that Mutual Wholesale Liquor ("Mutual") was a mere importer, and thus lacked any ownership interest in the MONOPOLOWA trademark when it filed for registration.
5. The Original Petition did not contain any allegations of fraud in the renewal of the registration or in abandonment through naked licensing.

6. In reviewing Respondent's Opposition to the Motion for Leave to Amend the Petition for Cancellation, I see that page 5 contains a typographical error; specifically, the word "not" was inadvertently omitted from the phrase "issues not remotely included in the original filing". This error has led the Board to incorrectly infer that Respondent agreed that the claims of fraud and naked licensing were "as noted by respondent, 'included in the original filing,'" when in fact Respondent does not believe that such causes of action were present.

7. Primary among the additions contained in the Second Amended Petition were allegations pertaining to: the "tremendous financial difficulty" experienced by Eduard Gessler; the "legacy of debt assumed" by Elek Gessler; concerns that the personal debt of Elek Gessler could impact on the brand MONOPOLOWA; an assignment of trademark rights in the MONOPOLOWA mark between entities prior to the assignment to Mutual Wholesale Liquor ("Mutual"); transference of Elek Gessler's ownership interest in at least one of the Petitioners to an unnamed "third party"; and that Elek Gessler possessed no right, title or interest in the MONOPOLOWA trademark at the time he assigned rights in such mark to Mutual. Respondent lacks possession or control over any information or documents pertaining to these allegations.

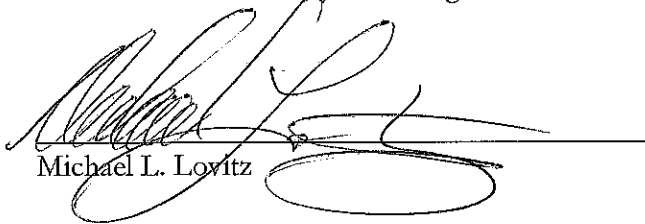
8. Neither the original Petition to Cancel nor Petitioners' Initial Disclosures referenced the activities or finances of Elek Gessler, or gave any indication as to how such activities or finances might impact on the question of ownership of the MONOPOLOWA trademark, or the assignment of such trademark to Mutual Wholesale Liquor in 1992. In fact, for each of the individuals identified in Petitioners' Initial Disclosures, the subject matter of discoverable information was identified as "Petitioners' ownership of the mark in dispute."

9. As a result, none of the discovery conducted by Respondent had been directed to such information, issues or questions, even though Petitioners have now disclosed their intention to rely upon testimonial and/or documentary evidence concerning the same.

10. On information and belief, Petitioners' refusal to permit Respondent to re-open discovery as requested denies Respondent the opportunity to fully and fairly prepare for Petitioners' upcoming testimony.

11. On information and belief, unless discovery is re-opened, Respondent will be prejudiced because he will have no opportunity to fully investigate the allegations and claims raised by Petitioners in the Second Amended Petition, allegations and claims that Petitioners have already disclosed they intend to rely upon, because Petitioners waited until after the close of discovery to file its request to amend its initial pleading.

The undersigned, being warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. §1001, declares under penalty of perjury that all statements herein made of my own knowledge are true, and that all statements herein made on information and belief are believed to be true to the best of my knowledge.

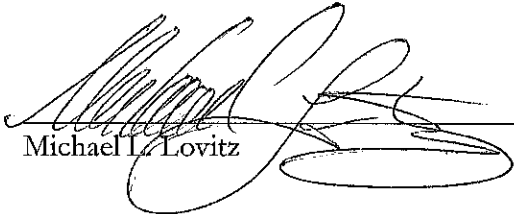


Michael L. Lovitz

CERTIFICATE OF SERVICE

I, Michael L. Lovitz, hereby certify on this 5th day of May, 2014, that a true and correct copy of RESPONDENT'S REPLY TO PETITIONERS' OPPOSITION TO THE MOTION TO RE-OPEN DISCOVERY was served upon Petitioners' correspondent of record by First Class Mail, postage prepaid at the following address:

Peter S. Sloane
Leason Ellis LLP
One Barker Avenue, Fifth Floor
White Plains, NY 10601


Michael L. Lovitz